



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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January 31, 2001

## CERTIFIED RETURN RECEIPT

7000 0520 0021 7582 8517

Mr. Stuart Havenstrite  
Nevada Star Resource Corp  
10735 Stone Avenue N  
Seattle, Washington 98133

Re: Permit Status, Nevada Star Resource Corporation, OK Copper Mine, M/001/039, Beaver  
County, Utah

Dear Mr. Havenstrite

On June 3, 1996, the Division received a mining and reclamation plan from Centurion Mines, Inc. for the OK Copper mine. Conditional tentative approval of that plan was issued by the Board of Oil, Gas and Mining, contingent upon receiving reclamation surety by December 13, 1997. The surety was not posted by Centurion Mines; therefore, the tentative approval was rescinded and the mine status was changed back from a large mine status to a small mine status.

In June, 1998, the OK project was taken over by Nevada Star Resource Corporation (Nevada Star). Nevada Star requested that the project still be permitted as a large mine. Therefore, Nevada Star submitted the same mining and reclamation plan that had originally been submitted and tentatively approved for Centurion Mines. At the same time, Nevada Star also submitted a proposal to enlarge the large mine permit area. The Division suspended processing the expansion proposal until reclamation surety was received for the original plan, which had already been reviewed and conditionally approved. The mine status was again changed from the small mine status to a large mining project. On August 14, 1998, the Division issued tentative approval to Nevada Star for that original plan.

On January 25, 1999, Nevada Star submitted an amendment and proposed to divide the original contemplated mined area and leach pad (Phase 1) into two separate and smaller phases P1A and P2A. On July 27, 1999, we sent a letter to Rick Havenstrite requesting further information regarding the revised Phased (P1A and P2A) approach.

On December 7, 1999, the Division received a response from you stating that all the Division's requested information was in the existing plan; therefore, no additional information was submitted. We did not respond to your letter because we understood that the project was being put on hold until funding became available, and because the questions we asked were not sufficiently addressed.

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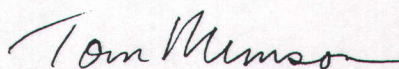
Since 1997, the annual reports received for this project indicate that there are less than five acres of disturbance associated with the OK Copper Mine. We do not have an accurate map delineating the existing disturbances. The annual report for the year 2000, states there are four acres of current disturbance and that two acres have been reclaimed. Rule R647-4-2.2 (Annual Reports) requires an operator to include an updated map depicting existing surface disturbance and reclamation performed during the year. Please provide a map showing the four acres of unreclaimed disturbance and where the two acre reclaimed area is located. The 2000 annual report also stated that 60,000 tons of overburden had been removed from this site. This equates to 1,714 thirty-five ton trucks hauling material. Where did this material come from and where did it go?

It has been a 1 ½ years since tentative approval was issued for Nevada Star's original P1 area. The Division is considering rescinding the tentative approval and changing the status back to a small mine with less than five acres of disturbance. A site inspection will need to be performed to verify the acreage before we make this change. Please contact me when the site is accessible this Spring to arrange a mutually convenient time for an inspection. If you believe the status should not be changed back to a small mining permit, please provide justification why we should not rescind the tentative approval and make arrangements to submit the reclamation surety for the project area that has received tentative approval.

On another matter, during an inspection of the exploration permit area (file number E/001/084) this past summer, you requested that we copy and provide you with the map that Casey Ross had generated. The map is too large for our copy machine. Our library personnel can send the map to an outside copy service (Kinko's) who can reproduce large copies. You would have to contact Kinko's at (801) 533-9444 to make arrangements for payment before we can send the map to them. Please let me know what you want to do regarding this matter. We may need another copy of this map for our files. Perhaps we can have both copies made at the same time? Please advise accordingly.

We would like to complete the permitting process for the OK Copper Mine this Spring. Please respond within 15 days of your receipt of this letter advising us of your decision to proceed with the large mine process, or to change the status back to a small mine. If you have any questions or concerns regarding this letter please call me at 538-5321.

Sincerely,



Tom Munson  
Reclamation Specialist

jb  
cc: Ed Ginouves, BLM, Cedar City FO (UTU-76662)  
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